



September 8, 2014

**VIA ELECTRONIC FILING**

Ms. Jocelyn Boyd  
Chief Clerk and Administrator  
South Carolina Public Service Commission  
101 Executive Center Dr., Suite 100  
Columbia, SC 29210

Dear Ms. Boyd:

Re: Filing of Quarterly Monitoring Report by Piedmont Natural Gas Company, Inc.  
Pursuant to S.C. Code §58-5-430  
Docket No. 2014-7-G

Pursuant to Section 58-5-430 of the South Carolina Natural Gas Rate Stabilization Act, enclosed is the quarterly monitoring report for the twelve-month period ending June 30, 2014, for Piedmont Natural Gas Company, Inc.

If you have any questions about this filing, you may reach me at 704-731-4560 or Robert Thornton at 704-731-4148.

Sincerely,

s/ Jenny Furr

Jenny Furr  
Manager, Regulatory Reporting

Enclosures

c: ORS – Carey Stites (via UPS overnight)  
ORS – Tom Allen (via UPS overnight)  
Courtney Dare Edwards  
James H. Jeffries IV

CERTIFICATION

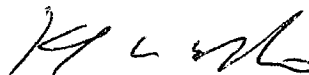
I, Thomas E. Skains and Karl W. Newlin, state and attest, under penalty of perjury, that the attached Quarterly Monitoring Report is filed on behalf of Piedmont Natural Gas Company, Inc. as required by the Public Service Commission of South Carolina; That I have reviewed said report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.



Thomas E. Skains  
*President and CEO*

September 3, 2014

Date Signed




Karl W. Newlin  
*Senior Vice President and CFO*

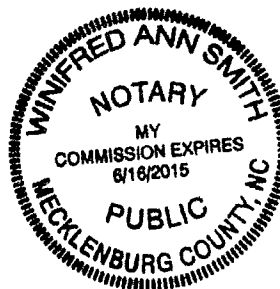
September 3, 2014

Date Signed

Subscribed and Sworn to before me this  
3<sup>rd</sup> day of September, 2014.

  
Notary Public

My Commission Expires 6/16/2015.



Net Operating Income and Rate of Return  
For The Twelve Months Ended June 30, 2014  
South Carolina  
Page 1 of 2

	(1)	(2)	(3)
	<u>Per Filing</u>	<u>Accounting And Pro Forma Adjustments</u>	<u>After Pro Forma Adjustments</u>
Operating Revenues			
Sale of Gas	\$ 158,962,389	\$ (8,109,808)	\$ 150,852,581
Other Operating Revenues	940,283	-	940,283
Total Operating Revenue	<u>\$ 159,902,672</u>	<u>\$ (8,109,808)</u>	<u>\$ 151,792,864</u>
Operating Expenses			
Cost of Gas	\$ 88,693,573	\$ (7,413,922)	\$ 81,279,651
Other Operation & Maintenance	26,710,024	(1,000,726)	25,709,298
Depreciation	11,616,562	1,151,355	12,767,917
General Taxes	6,506,845	(149,889)	6,356,956
State Income Taxes	1,366,863	(333,587)	1,033,276
Federal Income Taxes	6,858,870	(10,385)	6,848,485
Amort. of ITC	(23,532)	-	(23,532)
Total Operating Expenses	<u>\$ 141,729,205</u>	<u>\$ (7,757,154)</u>	<u>\$ 133,972,051</u>
Net Operating Income	\$ 18,173,467	\$ (352,654)	\$ 17,820,813
Interest on Customer Deposits	(101,829)	-	(101,829)
Amortization of Debt Redemption Premium	-	-	-
AFDUC	308,601	-	308,601
Customer Growth	107,223	(2,081)	105,143
Net Operating Income For Return	<u>\$ 18,487,462</u>	<u>\$ (354,735)</u>	<u>\$ 18,132,727</u>
Original Cost Rate Base			
Plant in Service	\$ 461,294,628	\$ -	\$ 461,294,628
Accumulated Depreciation	(194,550,810)	-	(194,550,810)
Net Plant in Service	\$ 266,743,818	\$ -	\$ 266,743,818
Add:			
Construction Work in Progress	7,389,510	-	7,389,510
Materials and Supplies	11,730,331	-	11,730,331
Cash Working Capital	2,890,424	(125,091)	2,765,333
Deduct:			
Customer Advances for Construction	-	-	-
Customer Deposits	2,822,237	-	2,822,237
Accumulated Deferred Income Taxes	63,496,674	-	63,496,674
Unclaimed Funds	75,361	-	75,361
Total Original Cost Rate Base	<u>\$ 222,359,811</u>	<u>\$ (125,091)</u>	<u>\$ 222,234,720</u>
Return on rate base	<u>8.31%</u>		<u>8.16%</u>

Net Operating Income and Rate of Return  
For The Twelve Months Ended June 30, 2014  
South Carolina  
Page 2 of 2

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Per Books Capitalization	Accounting and Pro Forma Adjustments	Settlement Capitalization	Calculated Ratio %	* Agreed to Ratio %	Cost Net Investment	Embedded Cost %	Overall Cost Rate %	Net Operating Income
1. Long-Term Debt	\$ 1,161,652,127	\$ -	\$ 1,161,652,127	46.53%	45.00%	\$ 100,005,624	5.22%	2.35%	\$ 5,220,294
2. Common Equity	1,334,705,930	-	1,334,705,930	53.47%	55.00%	122,229,096	10.56%	5.81%	12,912,434
3. Total	\$ 2,496,358,057	\$ -	\$ 2,496,358,057	100.00%	100.00%	\$ 222,234,720		8.16%	\$ 18,132,727

\*Note: Based on Agreement, the Common Equity Ratio will not fall below 55% or go above 57% and the Long-Term Debt Ratio will not fall below 43% or go above 45%

## **CERTIFICATE OF SERVICE**

The undersigned hereby certifies that a copy of the attached *Quarterly Monitoring Report* is being served this date via email and UPS Overnight upon:

Courtney Dare Edwards  
Carey Stites  
Tom Allen  
Shannon Bowyer Hudson  
Office of Regulatory Staff  
1401 Main Street  
Suite 900  
Columbia, South Carolina 29201  
cedwards@regstaff.sc.gov  
cstites@regstaff.sc.gov  
tallen@regstaff.sc.gov  
shudson@regstaff.sc.gov

And that a copy of the attached *Quarterly Monitoring Report* is being served this date via email or U.S. Mail upon:

David Carpenter  
Vice President  
Planning and Regulatory Affairs  
Piedmont Natural Gas Company, Inc.  
P.O. Box 33068  
Charlotte, North Carolina 28233  
david.carpenter@piedmontng.com

and

Pia Powers  
Director - Regulatory Affairs  
Piedmont Natural Gas Company, Inc.  
P.O. Box 33068  
Charlotte, North Carolina 28233  
pia.powers@piedmontng.com

This the 8th day of September, 2014.

s/ Scott M. Tyler  
Scott M. Tyler